

The Indiana Department of Correction Selects GEO Group, Inc. to begin contract negotiations for operation of the New Castle facility

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J. David Donahue, Commissioner

"We sincerely appreciate being selected by the Indiana Department of Correction to begin negotiations for the management and operation of the first contracted prison operation in Indiana. We will work hard to establish a public-private partnership with the State of Indiana that meets and exceeds the Department's contract requirements and fully supports Commissioner Donahue's vision and mission for Indiana's correctional system. We are equally excited to begin working closely with the community of New Castle to maximize the local and state economic development impact of this project."

George C. Zoley, Chairman & CEO of GEO Group, Inc.

Indianapolis-(August 30, 2005) – The Indiana Department of Correction announced today that it has selected the GEO Group, Inc. ([NYSE: GGI](#)) to begin contract negotiations for the operations at the 2,416-bed [New Castle Correctional Facility](#) located in New Castle, Indiana. During the first year of operation, the 2,416-bed prison is expected to house approximately 1,068 minimum through medium security adult male offenders.

Contract negotiations will begin immediately. The Department expects the third-party operations of the facility in January 2006, under the terms of a renewable operations agreement with a duration of 10 years.

J. David Donahue, Commissioner of the Indiana Department of Correction, commented, "This relationship will help the Department fully utilize the New Castle Correctional facility and its resources. Offenders will continue to be offered program resources and be effectively managed by a professional team. As the courts continue to send convicted persons to the Department, this partnership will improve the way corrections is offered in Indiana and broaden the existing toolbox of programs that assist

offenders in successfully re-entering society as law-abiding members of the community.”

"Creating job wealth is the number one goal of Governor Daniels for the state of Indiana,” added Donahue. “When the New Castle facility reaches full capacity, it will employ 500 plus staff from the local community. I am excited about that.”

George C. Zoley, Chairman and Chief Executive Officer of GEO, said, “We sincerely appreciate being selected by the Indiana Department of Correction to begin negotiations for the management and operation of the first contracted prison operation in Indiana. We will work hard to establish a public-private partnership with the State of Indiana that meets and exceeds the Department’s contract requirements and fully supports Commissioner Donahue’s vision and mission for Indiana’s correctional system. We are equally excited to begin working closely with the community of New Castle to maximize the local and state economic development impact of this project.”

About The Department of Correction

The Department employs over 8,000 employees and houses 24,000 adult and juveniles in 32 facilities, ranging from minimum to maximum custody, prison camps, juvenile facilities and work release centers. The Department’s home page on the Internet can be found at: <http://www.in.gov/indcorrection>. The Department’s Re-entry Site can be found: <http://www.reentry.in.gov>.